



STATE OF WASHINGTON

HIGHER EDUCATION COORDINATING BOARD

917 Lakeridge Way • PO Box 43430 • Olympia, Washington 98504-3430 • (360) 753-7800 • FAX (360) 753-7808 • TDD (360) 753-7809

RESOLUTION NO. 02-32

WHEREAS, The Washington Higher Education Coordinating Board (HECB) is a citizens board appointed by the Governor and confirmed by the Senate and is required to make budget recommendations for higher education funding to both the Governor and the Legislature; and

WHEREAS, Years of limited state funding support, across-the-board budget cuts, and assumptions of "efficiency increases" as a way to avoid funding enrollment growth have resulted in a drop of state per-student support of nine percent at public four-year institutions since the 1991-93 biennium, adjusted for inflation. The financial responsibility for college expenses is being continually shifted to students and their families, threatening the ability of those with limited means to participate; and

WHEREAS, The HECB has determined that establishing benchmarks for funding levels is an appropriate approach to establishing a total system-wide level of state investment in higher education, that Washington institutions receive substantially less state funding per student than comparable institutions located in other states, and the Board has recommended funding for public higher education be benchmarked to the average of these comparable institutions; and

WHEREAS, The public higher education institutions enrolled more than 12,000 FTE students in excess of the level funded by the state in fiscal year 2002, and by 2010 an additional 29,000 FTE students above this state-supported level are expected to seek higher education; and

WHEREAS, The HECB has found that the state should meet its responsibility to enable those students with limited means to participate in higher education through carefully designed and adequately funded financial aid programs; and

WHEREAS, The HECB has determined that reaching these goals for the operating budget in the 2003-05 biennium would be accomplished by adding 15,571 new student FTE enrollments, increasing per-student state funding at the average level of comparable institutions, and achieving the current HECB financial aid goals. The total cost for these investments is \$1.1 billion in the 2003-05 biennium, in addition to the \$2.7 billion currently being spent on higher education; and

WHEREAS, The HECB requested public institutions clearly explain to the Governor, Legislature and the HECB how these additional resources will be used, and the benefits that will accrue; and



WHEREAS, The HECB recommended that in the 2003-05 biennium the Governor and Legislature provide additional state investments in the higher education operating budget to begin to accomplish the goals outlined by the HECB. The approximately \$1.1 billion estimated to meet this need in the 2003-05 biennium could be invested over four years;

THEREFORE, BE IT RESOLVED, That the HECB recommends that state revenues be increased in the magnitude of \$500 million per year to accomplish the recommendation that funding for higher education be increased; and


THEREFORE, BE IT FURTHER RESOLVED, That the HECB recommends that these additional funds for higher education be dedicated to higher education and be in addition to what is currently being spent on higher education (the maintenance level budget as calculated by the Office of Financial Management), and that the higher education institutions that receive these funds be held accountable for how the funds are spent; and

THEREFORE, BE IT FURTHER RESOLVED, That the HECB finds that the amount of new revenue being discussed is roughly equivalent to what would be raised by increasing the retail sales tax rate by one-half cent (with the state sales tax rate being increased from 6.5 percent to 7.0 percent), however, the HECB recognizes that there are many other possible sources of new funding and does not recommend any particular revenue option and is committed to working with the Governor and Legislature to identify potential sources.

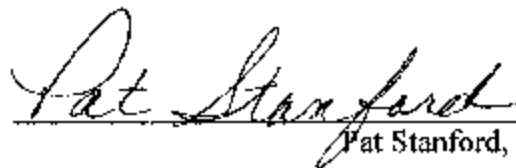
Adopted:

December 12, 2002

Attest:



Bob Craves, Chair



Pat Stanford, Secretary